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MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

SUSTAINABILITY AND MARKET DEVELOPMENT COMMITTEE

SAN JOSE CITY HALL

COMMITTEE MEETING ROOMS 119 & 120

200 EAST SANTA CLARA STREET

SAN JOSE, CALIFORNIA

TUESDAY, AUGUST 8, 2006

10:03 A.M.

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APPEARANCES

COMMITTEE MEMBERS

Mr. Gary Petersen, Chairperson

Ms. Cheryl Peace

Ms. Pat Wiggins

ALSO PRESENT

Mr. Jeffrey Danzinger

STAFF

Mr. Mark Leary, Executive Director

Mr. Elliott Block, Acting Chief Counsel

Ms. Deborah Balluch, Executive Assistant

Mr. John Blue

Ms. Marshalle Graham

Mr. Phil Morales, Acting Deputy Director

Mr. John Smith, Acting Deputy Director

Ms. Tabettha Wilmon

ALSO PRESENT

Ms. Susan Collins, Hilton, Farnkopf, & Hobson, on behalf
of CRRA

Mr. Alec Cooley, CRRA

Mr. John Davis, CRRA

Mr. Ron Greitzer, L.A. Fiber

Mr. Joseph Kalpakoff, City of Mendota

Ms. Ivette Rodriguez, City of Mendota

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1 PROCEEDINGS

2 CHAIRPERSON PETERSEN: Well, good morning, and
3 welcome to the August 8th meeting of the California
4 Integrated Waste Management Board, Sustainability and
5 Market Development Committee.

6 As a courtesy, would you please make sure your
7 cell phones are on the vibrate mode.

8 And let's see. There are speaker -- where are the
9 speaker things?

10 EXECUTIVE ASSISTANT BALLUCH: On the back table.

11 CHAIRPERSON PETERSEN: On the back table.

12 If you want to fill one out to speak, bring it to
13 Deb.

14 Deb, wave your hand. Good.

15 Deb, could you call the roll, please.

16 EXECUTIVE ASSISTANT BALLUCH: Peace?

17 COMMITTEE MEMBER PEACE: Here.

18 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

19 COMMITTEE MEMBER WIGGINS: Here.

20 EXECUTIVE ASSISTANT BALLUCH: Petersen?

21 CHAIRPERSON PETERSEN: I'm here.

22 Okay. Agenda Item 15 regarding Caltrans' use of
23 compost is being held over for the full Board meeting so
24 that we can get key department representatives from Cal --
25 Caltrans can participate in the discussion, so that's

1 going to be held over to the Board meeting.

2 Does anybody have any public comment on this item
3 at this time? And it's not on the agenda, so okay.

4 What -- we're going to move right into Item A, and
5 Alec Cooley is here from the California Resource Recovery
6 Association, and Susan Collins.

7 And you're up.

8 Excuse me. One other thing. Ex-partes? I missed
9 that.

10 COMMITTEE MEMBER PEACE: I'm up to date.

11 CHAIRPERSON PETERSEN: Ex-partes?

12 COMMITTEE MEMBER WIGGINS: All caught up.

13 CHAIRPERSON PETERSEN: All caught up. Okay.

14 Sorry.

15 (Thereupon an overhead presentation was
16 presented as follows.)

17 MR. COOLEY: My name is Alec Cooley.

18 I'm the president of the California Resource
19 Recovery Association, and thank you for having me up here.

20 I'm also here with Susan Collins, who is also a
21 board member for CRRRA. She's our government liaison. I'm
22 going to have her come up in a moment and give a quick
23 update on what we're doing as an organization.

24 I also brought with us John Davis, who is a past
25 president of the CRRRA. He's going to give a quick

1 overview of our Resource Management Act and doing an
2 overview of that.

3 First, I wanted just to thank you, the Committee
4 and Board members, for coming down here to San Jose and
5 for working with us with our conference. It means a
6 tremendous amount to us. We're very excited to have you
7 down here. I know it took a lot of effort, but we're very
8 excited.

9 We're very excited -- this is our 30th anniversary
10 for the California Resource Recovery Association, our
11 35th conference. And we're excited for the involvement of
12 the Board and the committee members and staff throughout
13 our conference, from last night's ribbon cutting to having
14 staff speakers in our sessions, during conference itself.
15 So thank you very much.

16 And with that, I know you have many things on your
17 agenda, so I just want to welcome Susan Collins, who's our
18 governmental affairs liaison.

19 Thank you.

20 CHAIRPERSON PETERSEN: Thank you, Alec.

21 Susan -- by the way, this is very interesting
22 because the last time I was involved with the CRRRA policy
23 presentation to the Board was 1976. We all had long hair
24 and minibuses, but we were cool.

25 (Laughter.)

1 EXECUTIVE DIRECTOR LEARY: Still are, Gary.

2 CHAIRPERSON PETERSEN: Oh.

3 Thank you, Susan.

4 MS. COLLINS: Short hair and Priuses.

5 Does that work?

6 CHAIRPERSON PETERSEN: Okay. That works.

7 And John, I didn't recognize you. John Davis.

8 --o0o--

9 MS. COLLINS: Well, good morning. My name is
10 Susan Collins, and I'm on the CRRRA Board. I'm one of nine
11 board members. And my position on the Board is the
12 governmental affairs liaison. It's a new position that we
13 created just this year, because we found in the past that
14 we had nine volunteer board members from all different
15 parts of the state, and they may have been having
16 discussions with partner agencies like the CIWMB and the
17 DOC. And there is a tremendous amount of confusion
18 sometimes, different messages coming from different board
19 members. But more than that, there was just a lack of
20 overall coordinated communication, and we decided to make
21 that improvement on the CRRRA Board, so we created this
22 position, and I'm in the position. And my job is to be a
23 single point of contact between the CRRRA Board and the
24 other agencies to eliminate the confusion problems and
25 also to make sure that it's my job to actually

1 communicate. So I'm doing that on a regular basis, and
2 we're having increased communication. And it has worked
3 better than we could have expected and we still want to do
4 more.

5 This year we have more, really, integrated
6 involvement from all of these different agencies at our
7 conference this year. And we're just pleased as punch
8 with the results and at the same time, we still know that
9 there are some other things that we still need to fix, so
10 we'll continue doing that in the future.

11 --o0o--

12 MS. COLLINS: So the background for today's
13 presentation is a result of this increased
14 communication -- I will sort of give the background of how
15 we got here today. Terry Tamminen has spoken twice at our
16 conference: last year and the year before. And last year,
17 he gave a very inspiring keynote speech and, you know, got
18 a standing ovation, and his challenge to us was to adopt
19 the goal of zero waste by 2025.

20 As a result of that, we later sent a letter to his
21 office with certain policy direction that we were taking
22 as CRRA, and Gary Petersen and Chris Peck were also
23 involved in a conference call that we had after that
24 letter was sent, and they invited us to come here and make
25 a presentation here today on what CRRA calls the Resource

1 Management Act. It's a policy document that was put
2 together.

3 --oOo--

4 MS. COLLINS: So I will also give the background
5 on the Resource Management Act, the process that CRRRA went
6 through in putting together this document.

7 It's only about six or seven pages because it was
8 really distilled down to that level. It started with so
9 much input that it would have been a 40- or 50-page
10 document.

11 We solicited content from members, from leaders of
12 the organization, and from our partner organization, so
13 the information came from both within CRRRA and without;
14 Health forums in Diamond Bar and San Jose, in April and
15 May of 2005; reviewed and debated the Resource Management
16 Act at the July 2005 conference last year, in Los Angeles;
17 and then really distilled that document and made a lot of
18 revisions so that it resembled something more of a
19 consensus document.

20 You can't write a six-page document where
21 everybody's going to agree with every point in it. But
22 for the most part, it is a consensus document of CRRRA,
23 saying this is direction we want to go in the next decade
24 or so.

25 So with that, I want to introduce the person who

1 spearheaded this process. It's not an easy process to get
2 input from dozens of people and distill it into a
3 consensus document; you really have to believe that this
4 is a good idea to stick with it, and John Davis did that.
5 So I'm going to turn it over to him to actually go through
6 the document.

7 CHAIRPERSON PETERSEN: Thank you, Susan.

8 --o0o--

9 MR. DAVIS: Good morning.

10 I did serve a year on the board after I stepped
11 down from being president, and I intentionally wanted to
12 spend the time on a policy agenda. We had done a policy
13 agenda when I first got on the board, and it was pretty
14 prophetic. We identified the e-waste eliminating problem
15 and some other issues. And it was time to dust that off
16 and come back.

17 So it was -- really the reason I got on the board
18 was to focus on policy issues and the reason the Recycling
19 Authority I worked for sent me there was to get involved
20 in statewide issues. So this was something that I felt
21 pretty strongly about. And just by way of background,
22 you'll see when we get into the crux of the presentation
23 this morning, that's an RMDZ focus; there's a market
24 development focus.

25 And at the same time, I was on the CRRA Board, I

1 also served on the board of California Association of
2 Recycling and Market Development Zone.

3 I was president of that board while I was
4 president of CRRA and, I'm glad to be past president of
5 both of those organizations now. And one reason I'm glad
6 is to have gone through that process and to have seen --
7 had the perspective that I didn't have. So you're going
8 to see, at least from my -- what's important to me in the
9 act is, I think, the integration of market development in
10 here. But as Susan said, there were a lot of people who
11 spent a lot of time. We had a lot of ideas, a lot of
12 discussion. And as you know, the CRRA is a consensus
13 organization that takes a lot of discussion. So we're
14 pretty pleased with what we came up with.

15 The idea here is to the shift our focus, shift the
16 paradigm, look at the next 50 percent. We've gone through
17 the first 50 percent when CRRA was formed, and the first
18 discussions took place, I think -- I'm not sure anybody in
19 the room said we're going to do an Integrated Waste
20 Management Act in 13 years, but that's what happened. And
21 I think it lead largely from the dialogue and the
22 consensus and the outbreak that went on there. Now we're
23 at that 50 percent point and to get to zero, we now need
24 to focus on the next 50 percent.

25 So we incorporate a lot of sustainability in here.

1 We think there's an emerging trend there we see every day.
2 We saw this morning at the conference, plenary
3 representations of industries, representatives of large
4 retailers, Wal-Mart's commitment to sustainability. I
5 think we can move past that point and look at our role in
6 helping that truly happen, as we go forward.

7 --o0o--

8 MR. DAVIS: So we looked first at the statewide
9 waste characterization, and these are the elements of
10 waste stream that we think we can handle: organics, C&D,
11 paper, metal, glass, special waste, HHW, E-waste.

12 We have programs for those; you have programs for
13 those. We spent the last 15-some years talking about
14 those, focusing on these. That represents 99 percent of
15 what's now disposed in California. Okay? That's pretty
16 close to zero, and what's left is ADC.

17 So there -- there -- we can get there. We know
18 what to do with this material. How do we get this
19 material in a form that we can use? How do we get it to
20 the places we can use it? What do we have to do to get
21 there?

22 I don't know, but that's what we need to do, and
23 we can do it. We can get to zero.

24 --o0o--

25 MR. DAVIS: We think that the program-based

1 option, as you discussed, numbers in programs is
2 important. Programs are the real version, and so our
3 focus is on programs. We're not going to talk about new
4 measures, adjusting the methodology. That's all good and
5 you have to do that, but that's not going to get us to
6 50 percent. We could get that mathematically and still
7 have the same amount going to landfills that we have now.
8 And that's not our goal. Our goal is to really focus on
9 that 99 percent of what's being disposed, get it to where
10 we can handle it.

11 We're looking, I think, from CIWMB for consistent
12 reliability, timely guidance. We need to get on the same
13 page and move forward together. And our focus here was to
14 try to develop an agenda to do that.

15 We think that the schools and state agencies are
16 key, and we all know the issues; you deal with those
17 issues. They are -- they guide us in a lot of ways. What
18 Caltrans does has a huge impact on local government. What
19 schools do have a huge impact on our future. And so I
20 think, you know, I wanted to touch on that item, because
21 it's something that you're most intimately involved in,
22 and it's something we're aware of.

23 --o0o--

24 MR. DAVIS: The idea now is to begin to shift the
25 responsibilities from cities and counties to the

1 generators of the waste. We've done a lot. We've got a
2 huge infrastructure in California with the waste industry
3 and cities and counties. We've done things that most of
4 us didn't imagine we could do. But now we're into the
5 problem areas: the organics, and C&D that are a challenge
6 to us to do what we did in the last 15 years. It's one
7 thing to have a reliable, consistent supply of curbside
8 material showing up. It's another thing to cite the
9 compost facility; it's something totally different to try
10 to build infrastructure, C&D facilities in a cyclical
11 industry like that. So there are challenges -- real
12 challenges that we can overcome by working together.
13 21 percent of the landfill waste in self-haul. That's --
14 that's an issue. We can do things in franchises and
15 cities that don't affect that 21 percent of material at
16 all, and we need --

17 CHAIRPERSON PETERSEN: Excuse me.

18 Could you speak more into the microphone?

19 MR. DAVIS: Yeah. In this one here?

20 CHAIRPERSON PETERSEN: Please. Closer. So Pat
21 can hear you.

22 Thank you.

23 MR. DAVIS: And we need local markets for food and
24 construction and demolition material. We need -- we need
25 to recognize that a lot of what we've accomplished --

1 mixed paper, for example. When we started building MRFs
2 and developing programs in the early '90s, we were hoping
3 we could put mixed paper out there in the market at zero.
4 We now sell it at a price that parallels cardboard and a
5 price that's almost the same as newspaper, and that's been
6 done largely through the export market. I don't think
7 we're going to be able to export the organic material that
8 we managed to collect. It makes good ship ballast but
9 it's going to be a very expensive trip to send that to the
10 markets that have supported our recycling to this point.
11 We think that local markets are really going to be the key
12 for organics and the C&D material because of the high cost
13 of processing, the low value of those finished products,
14 and so that is our -- that is our focus.

15 --o0o--

16 MR. DAVIS: We think that there should be a plan
17 before there's a ban on material. We wrote this last year
18 knowing that the UA's issue was going to hit us, and we're
19 all here today going, "Uh, you know, what do we do next?"

20 We think that before things get banned, there
21 should be a plan, and we would like to see a statewide
22 process to collect and market new products from banned
23 materials starting with C&D, starting with organics.
24 That's the heart of our suggestion, here, is that we move
25 toward a ban of this material, but that we develop a plan

1 before we get there.

2 --o0o--

3 MR. DAVIS: And the important thing and I think
4 what we learned through the RMDZ is that you work with the
5 affected industries. So when we talk about a plan, we're
6 not talking about something that CRRRA develops, something
7 that a legislative committee develops; we're talking about
8 something that's developed with the input from those
9 industries. And I think that is -- that's an important
10 part of this concept.

11 The construction material people know their
12 issues. The green building process is getting a lot of
13 focus in that industry and helping us to deliver materials
14 to recyclers. We now need to build an infrastructure, and
15 we also need to be able to look to the in-market and the
16 in-use, which is probably going to be that construction
17 industry. So I think what we're anticipating is a process
18 of using that industry and their knowledge to help us keep
19 that material out of landfill, put it in the new products
20 that they can use. The organics is landscape and food.
21 It's the agricultural and the landscape and horticultural
22 industry in California. They are also the users of that
23 material. Local organic produce is a big market
24 opportunity. Organic produce is a big market opportunity,
25 and again, with that affected industry, you can do a lot.

1 --o0o--

2 MR. DAVIS: We think that at the end of the day,
3 you can expand your RMDZ program, restructure that
4 program, use landfill surcharges to come up with a program
5 that is calculated on a cost of finance and operate the
6 facilities that we need to remove the C&D and organics
7 material from the waste stream. Predesignate sites in
8 localities, have the cities that want these facilities,
9 and the counties, raise their hands, say, "We want it
10 here," determine how many of these facilities, where they
11 need to be, levy a surcharge and support those facilities.

12 Okay?

13 So the idea is to develop a basic processing, an
14 in-market product manufacturing system using local
15 material in California for those hard-to-place materials.

16 --o0o--

17 MR. DAVIS: That's really the crux of it. It's
18 local markets for local resources, and the issues like
19 ADC, we hope we don't need at the end of the day, so it's
20 a non-issue.

21 --o0o--

22 MR. DAVIS: There's 21st-century approaches we'd
23 like to see in R&D programs; the universities and colleges
24 in California are great untapped resources. We try to
25 develop these markets from these materials. We would like

1 to encourage the LEED certification for state facilities.
2 We hope that will grow to local facilities. We think
3 there's work that needs to be done on local building
4 ordinances to facilitate LEED and bring building
5 processes.

6 --o0o--

7 MR. DAVIS: The C&D issues, I'm not going to dwell
8 on that. But those obviously are going to need to be
9 resolved, the conversion technologies will need to be
10 resolved. So that's the plan. There's 29 points in it.
11 It's a starting point. And I -- you know, I am pleased to
12 have this opportunity to share it with you. It was an
13 interesting process at CRRRA, and we hope it will help the
14 dialogue as we go forward.

15 CHAIRPERSON PETERSEN: John, thank you.

16 One moment.

17 Any questions?

18 I do.

19 In your -- you mentioned the LEED and building the
20 infrastructure for actually using the construction
21 industry to help build their infrastructure for other
22 materials.

23 Has the organization, not only with local
24 ordinances, but taken a look to working with the State
25 itself and the California building codes?

1 MR. DAVIS: We are -- we have a Green Building
2 Council, a technical council, where CRRA focuses on green
3 building and C&D issues. And that suggestion came from
4 them, so -- so they have been working -- the members of
5 that committee, which include City of San Jose, City of
6 Palo Alto, and they have been working locally on those
7 issues as the opportunity arises. As you know, the
8 building codes are developed by an organization, ICBO, the
9 International Commerce of Building Officials --

10 CHAIRPERSON PETERSEN: Right.

11 MR. DAVIS: -- and -- and that's kind of like the
12 Caltrans green book for building codes. And so I think at
13 some point, there needs to be a concerted effort to go
14 through that, you know, 19th-, 20th-century building code
15 and bring it up to --

16 CHAIRPERSON PETERSEN: Right. It's one of the
17 keys to make things happen.

18 MR. DAVIS: And people are doing it.
19 Individually, cities that are promoting the green building
20 are having to go through the building codes, and nobody's
21 done that collectively yet. And it shows how it can work
22 throughout the ICBO.

23 CHAIRPERSON PETERSEN: Well, I, for one, am very
24 grateful for you guys coming and letting us know what's
25 going on. I'm really looking forward -- I'm an old-time

1 recycler, so we all get together and shoot the breeze and
2 see what we can come up with. Because there's going to be
3 a lot of new things popping up. This Board is very
4 progressive and is very interested in moving forward. We
5 think a lot alike. So I'm very excited about the upgrade
6 or the moving on of the CRRRA with this new policy, and I
7 think it's a great thing.

8 MR. DAVIS: Yes.

9 CHAIRPERSON PETERSEN: So we're going to be there.
10 And I want to keep the dialogue going with all of us.

11 Okay?

12 MR. DAVIS: And -- you know, when I have mentioned
13 the RMDZ, it really has been -- Steve Lautze at the
14 committee, Peggy Horning from San Jose, a lot of us are
15 involved in both organizations, and it's been a great
16 opportunity for us to get together, statewide, with your
17 staff and a lot of what that -- that part that I dwelled
18 on, that market development element really came from those
19 dialogues, and I want thank you all for your support for
20 that.

21 CHAIRPERSON PETERSEN: One other question, now
22 that you mentioned that. Our RMDZ loan program should be
23 increased -- the amounts -- to bring in more sophisticated
24 and other types of technologies that we can help develop.

25 MR. DAVIS: You know, I've been hacking at that

1 for a long time for a consistent source of funding. But I
2 think what we're suggesting here is really a focus, and it
3 probably goes beyond the RMDZ, because you're going to
4 need these local processing facilities for organic and C&D
5 material. It may not fit the zone boundaries, and so you
6 really -- you know, again, I don't think any of us knows
7 where that goes, but the RMDZ mechanism is what I think we
8 would like to build on, expand and focus.

9 I just wanted to finish very quickly, and let
10 Susan Collins wrap up. But if there's any other
11 questions.

12 Thank you.

13 MS. COLLINS: Well, you already said one of the
14 things that I wanted to say. In this last slide, to
15 finish up, is that we want to continue the dialogue, and
16 you already said that, so we're there.

17 The other thing that CRRA -- the last initiative
18 that we're undertaking to help further this whole policy
19 direction is that we're in the process of developing a
20 certification training program. And we're doing that
21 again, not alone, but with as many partners as are willing
22 to participate from the various different agencies. And
23 we really kind of have a blue ribbon panel of people on
24 our Advisory Committee for the Certification Program. So
25 that's exciting. And then we're, you know, moving toward

1 zero waste by 2025.

2 So thank you again, very much, for having us this
3 morning.

4 CHAIRPERSON PETERSEN: Thank you, Susan. Great.
5 Okay.

6 I'm sorry. We're going to have to take a break
7 for a few minutes. We have to work on a technical problem
8 here so Member Wiggins can hear. And also, I would like
9 to welcome Member Danzinger.

10 So we're just going to take a few minutes' break.
11 Thank you.

12 (Thereupon a break was taken in proceedings.)

13 CHAIRPERSON PETERSEN: We're going to try and get
14 started here again, everybody. Thank you for the time
15 out. Okay.

16 We're going to the Deputy Director's Report for
17 Division and Planning and Local Assistance.

18 Phil Moralez.

19 Phil, you're up.

20 ACTING DEPUTY DIRECTOR MORALES: Good morning,
21 Chairman Petersen and Board Members Peace, Danzinger, and
22 Wiggins.

23 Just wanted to first make one comment. This will
24 be my last presentation before the Committee, before the
25 Board, as I will be retiring and I wanted to --

1 CHAIRPERSON PETERSEN: Really? Where are you
2 going? Fishing?

3 ACTING DEPUTY DIRECTOR MORALES: Golf.

4 CHAIRPERSON PETERSEN: Golf.

5 ACTING DEPUTY DIRECTOR MORALES: But I wanted to
6 also make one comment is that 25 years ago, I made a
7 presentation before the Board, and at that time it was the
8 Solid Waste Management Board, referred to lovingly as the
9 Garbage Board, which I still refer to it as the Garbage
10 Board.

11 And initially, at that time, I was responsible for
12 AB -- SB 650, a grants program, and it really is the
13 foundation for everything that is done by this Board,
14 whether you believe it or not, I know.

15 And the reality was, at that time, I made a
16 presentation before the Board. And we had money to give
17 out; everybody wants free grant money. It was open to
18 everybody: the garbage haulers, the guys with the long
19 hair, and the buses and whatever they wanted to do. And
20 it was staff's responsibility to review all the proposals,
21 and then make a recommendation to the Board, and it was a
22 wonderful zoo, because that's exactly what it was.

23 And the interesting part about it is that the
24 Board, as it is now, then also listened to staff's
25 recommendation. And one of those recommendations was to

1 grant a contract to Mr. Gary Petersen. And it's --
2 it's -- it makes me proud that he's now on the other side.

3 BOARD MEMBER DANZINGER: I bet they didn't call
4 him "mister" back then.

5 CHAIRPERSON PETERSEN: They had other names for
6 me.

7 ACTING DEPUTY DIRECTOR MORALES: They had other
8 names for Gary.

9 And Chris had a few of -- Chris and I worked
10 together on a lot of these projects.

11 But I just want to say that it's been a great 25
12 years, not all at the Board, because I've also been in
13 other Departments. Occasionally, somebody would take me
14 away to do something else, but I always came back to the
15 Board.

16 CHAIRPERSON PETERSEN: Well, I remember, we used
17 to go and have beers and pizza at Mario's after we got
18 done doing all the stuff, setting up the recycling
19 centers, and the guys coming down and watching me.

20 But the fun part was, was when I got all you guys,
21 Chris, wherever he is -- hi, Chris -- get all you guys to
22 work in the buy-back centers, and we put you to work and
23 said, we'll train you and we'll show you how to do this.
24 And at the end of the day, these people look like hell.
25 They were dripping wet. Jesus, these people work hard,

1 and it was a recycling business.

2 ACTING DEPUTY DIRECTOR MORALEZ: It was a great
3 experience.

4 And I also remember, some of the great
5 controversies of getting grants, and the one time you
6 might remember when all the TV cameras showed up --

7 CHAIRPERSON PETERSEN: Oh, yeah.

8 ACTING DEPUTY DIRECTOR MORALEZ: -- and it was
9 always interesting.

10 But most importantly, it was the basis from which
11 this Board grew, and all the things that happened at that
12 point.

13 CHAIRPERSON PETERSEN: Thanks, Phil. We wish you
14 well. Man, that is grand. Golf. I wish I could do that
15 more.

16 ACTING DEPUTY DIRECTOR MORALEZ: Golf and travel
17 are the two adventures.

18 The other adventure is whatever happens, happens.

19 CHAIRPERSON PETERSEN: You've done a grand job for
20 all of us. Thank you.

21 And the old days, where we went as far as my
22 company and what we did in recycling, it was SB 650, you
23 and Chris, and all the guys -- Bob Conheim. That was
24 really fun.

25 ACTING DEPUTY DIRECTOR MORALEZ: Pat Schiavo and a

1 few others' names that have been around.

2 CHAIRPERSON PETERSEN: All right.

3 ACTING DEPUTY DIRECTOR MORALEZ: On behalf of
4 Lorraine -- unfortunately, Lorraine's father passed away,
5 and is not able to be here today. So I'm more than
6 willing and honored to give her presentation as well.

7 On the disposal reporting system data, the first
8 quarter 2006 disposal reporting system reports were due
9 from the counties and regional agencies on July 15, 2006.
10 Staff will be reviewing the submittals, closely, and will
11 be contacting the counties and the regional agencies that
12 have not incorporated all the new data elements
13 requirements of the revised disposal reporting system
14 regulations that went into effect on January 1st, 2006.

15 A number of counties have requested time
16 extensions in order to complete their necessary computer
17 system changes.

18 Staff has also been processing 2005 DRS data
19 revisions that represent substantial changes for some
20 jurisdictions.

21 Testing of the electronic DRS reporting system has
22 been completed. IMB is working diligently to attend to
23 all the details that need attention, before the system can
24 be retested internally. Once the internal testing
25 indicates that the system is functional, it will be tested

1 by selected counties.

2 Regarding the electronics annual report, an e-mail
3 letter will be sent to all jurisdictions, informing them
4 of the process and a timeline for submitting 2005 program
5 data via electronic annual reporting, the EAR system, this
6 month.

7 Of note is the inclusion of venues and events'
8 diversion data for the first time. Staff has developed a
9 model data reporting template that jurisdictions may
10 choose to provide to the venues and events in their
11 jurisdictional boundaries to assist the jurisdictions in
12 gathering the data required in the annual report.

13 Regarding the governor's -- California Governor
14 and First Lady's Conference on Women and Family in Long
15 Beach, Board staff met with the planners for the
16 California Governor's and First Lady's Conference on Women
17 and Families, and operations staff at a Long Beach
18 convention center to discuss opportunities for creating
19 the conference.

20 Discussed were concepts for diversion in the
21 exhibit hall, composting all luncheon waste, and improving
22 public communications regarding waste diversion.

23 This year an emphasis will be placed on increasing
24 the role of the convention center and implementing waste
25 diversion programs. Convention planners expressed an

1 interest in having financial support to purchase the
2 compostable lunchboxes, and other containers that may be
3 needed to serve items within the lunchbox. An estimated
4 11,500 lunches will be served. The next meeting with the
5 planners will be to review a sample of the lunch and
6 determine if there are any contaminants that would prevent
7 composting. That meeting will be held tomorrow afternoon
8 at the Long Beach Convention Center.

9 That concludes my report.

10 Are there any questions?

11 CHAIRPERSON PETERSEN: Questions?

12 COMMITTEE MEMBER PEACE: I know last year at the
13 Women's Conference, they did a tremendous job recycling
14 all the lunch waste and the boxes, so you're trying to go
15 beyond?

16 ACTING DEPUTY DIRECTOR MORALES: We're trying to
17 go beyond that. And we're also trying to -- last year we
18 didn't have an opportunity to work with the exhibit hall
19 side, even though there was some recycling going on there,
20 it wasn't as -- they had some food waste contaminates, and
21 we're -- we're addressing that to provide additional
22 containers and specifically identify what they are for.

23 So hopefully that will happen.

24 CHAIRPERSON PETERSEN: So, and at the end of the
25 day, when we're going to put some guidelines for other

1 people to follow when they host their convention and
2 stuff, is that probably where we are going with this?

3 ACTING DEPUTY DIRECTOR MORALEZ: We'll -- we have
4 a paper that we can come up with that will actually be a
5 checklist that they need to look to do. Yes, that is part
6 of the results.

7 CHAIRPERSON PETERSEN: Great. Okay.
8 Other questions?

9 COMMITTEE MEMBER WIGGINS: I have a question.

10 ACTING DEPUTY DIRECTOR MORALEZ: Yes.

11 COMMITTEE MEMBER WIGGINS: What are you going to
12 do after you retire? Is there such a thing?

13 ACTING DEPUTY DIRECTOR MORALEZ: You know, I'm
14 retiring from State service. I just don't retire from
15 life. So whatever life gives me will be what I do. And,
16 you know, opportunities are out there, but I'm choosing my
17 opportunities based on my personal need, which is to spend
18 more time with my family and more time for myself.

19 CHAIRPERSON PETERSEN: All right.

20 COMMITTEE MEMBER PEACE: What's your handicap?

21 ACTING DEPUTY DIRECTOR MORALEZ: What's that?

22 COMMITTEE MEMBER PEACE: What's your handicap in
23 golf?

24 ACTING DEPUTY DIRECTOR MORALEZ: I'm taking
25 lessons.

1 Does that give you any clue?

2 (Laughter.)

3 CHAIRPERSON PETERSEN: Okay. Item C, Phil.

4 Here we go.

5 ACTING DEPUTY DIRECTOR MORALES: All right.

6 Consideration of a Request to Change the Base Year
7 to 2004 for the Previously Approved Source Reduction and
8 Recycling Element for the City of Hesperia, San Bernardino
9 County.

10 And Marshall will be presenting that
11 presentation.

12 CHAIRPERSON PETERSEN: Good morning.

13 MS. GRAHAM: Good morning.

14 Good morning, Committee Members.

15 The City of Hesperia has requested to change its
16 base year to 2004. The City originally submitted a base
17 year --

18 CHAIRPERSON PETERSEN: Excuse me. Could you speak
19 more into a microphone, please.

20 MS. GRAHAM: The City of Hesperia has requested to
21 change its base year to 2004. The City originally
22 submitted a new base year change request with a diversion
23 rate of 60 -- excuse me, 58 percent.

24 As a result of staff's verification findings,
25 staff is recommending changes to the base year data that

1 will adjust the accepted base year diversion tonnage and
2 reduce the diversion rate to 54 percent.

3 Board staff has determined that information in the
4 city's new base year is adequately documented, and is
5 therefore recommending Option 2 of the agenda item:
6 Approve the city's base year change with staff and/or
7 Board-suggested modifications.

8 Julie Ryans and Kim Summers from the City are
9 present to answer any questions.

10 That does conclude my presentation.

11 CHAIRPERSON PETERSEN: Any questions.

12 COMMITTEE MEMBER PEACE: I guess the only question
13 I had, so it was originally with the base year 38 percent.
14 Now it's going up, with new generations, to 54 percent.
15 Was there a couple big things that really made the
16 difference?

17 MS. GRAHAM: I can't tell you what was -- I don't
18 know what was originally included in their base year, but
19 there was some significant C&D diversion in the new study
20 as well as -- not just the diversion programs that the
21 City are implementing, but a number of businesses are
22 doing their own significant diversion program. And that
23 really helped the City.

24 COMMITTEE MEMBER PEACE: That's a big jump.
25 That's great.

1 CHAIRPERSON PETERSEN: Yeah, that's fabulous.

2 MS. GRAHAM: And I think that's part of what they
3 learn, through doing the study, is in addition to the
4 city's own efforts, what some of the business sectors are
5 doing on their own.

6 CHAIRPERSON PETERSEN: Great. Good job.

7 Do I hear a motion?

8 COMMITTEE MEMBER PEACE: I would like to move
9 Resolution No. 2006-132.

10 COMMITTEE MEMBER WIGGINS: Second.

11 EXECUTIVE ASSISTANT BALLUCH: Peace?

12 COMMITTEE MEMBER PEACE: Aye.

13 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

14 COMMITTEE MEMBER WIGGINS: Aye.

15 EXECUTIVE ASSISTANT BALLUCH: Petersen.

16 CHAIRPERSON PETERSEN: Aye.

17 Phil?

18 ACTING DEPUTY DIRECTOR MORALES: Consideration of
19 a Request to Change the Base Year to 2004 for the
20 Previously Approved Source Reduction and the Recycling
21 Element for the City of Mendota, Fresno County.

22 Marshalle will also do that.

23 CHAIRPERSON PETERSEN: Excuse me. I'm sorry.

24 That last item has got to go to consent.

25 MS. GRAHAM: Fantastic.

1 The City of Mendota has requested a change in base
2 year to 2004.

3 The City originally submitted a new base year
4 change request for the diversion rate of 23 percent. As a
5 result of staff's verification findings, staff is
6 recommending changes to the base year data that would
7 adjust the accepted base year diverse tonnage and increase
8 the diversion rate to 24 percent.

9 The City has also submitted documentation claiming
10 biomass diversion credit in 2004, which would increase the
11 City's 2004 diversion rate from 24 percent to 32 percent.

12 Board staff has determined the information for the
13 City's new base year is adequately documented and is
14 therefore recommending Option 2 of the agenda item:
15 Approving the City's base year change with staff and/or
16 Board suggested modifications.

17 Present to answer any questions and representing
18 the City of Mendota is Joseph Kalpakoff and Ivette
19 Rodriguez.

20 And that does conclude my presentation.

21 CHAIRPERSON PETERSEN: Great.

22 Any questions?

23 COMMITTEE MEMBER PEACE: I have some questions for
24 the City person, or maybe staff can answer.

25 So doing the new base year didn't really change

1 anything. It went from 32 percent to 32 percent.

2 MS. GRAHAM: Correct.

3 COMMITTEE MEMBER PEACE: So there really wasn't a
4 change. They are still quite ways from 50 percent, even
5 though the county as a whole is 58, Fresno County as a
6 whole; Sonoma City -- another, City of Huron, 58. But
7 they are only 32. And I'm just wondering what --

8 CHAIRPERSON PETERSEN: Make sure you speak into
9 the microphone.

10 MR. KALPAKOFF: Good morning, Chair.

11 Joseph Kalpakoff.

12 COMMITTEE MEMBER PEACE: Did we have plans to get
13 to 50?

14 MR. KALPAKOFF: Absolutely.

15 The City of Mendota is a rural community, western
16 Fresno County.

17 The actual diversion rate with the default rate
18 was at 46 percent.

19 CHAIRPERSON PETERSEN: Speak up a little bit,
20 please.

21 MR. KALPAKOFF: The default rate was at 46 percent
22 including the biomass tonnage, and part of our ADR was to
23 do a base year generation study for the year '04. And
24 after completing that, we found that the diversion rate
25 dropped to 32 percent, with the biomass.

1 Some of the challenges that we're facing out there
2 is the small rural community with an influx in
3 agricultural population. During the harvest seasons the
4 population doubles, between March through August,
5 September. And in that influx in population each year,
6 you have new citizens who come in and live in the city for
7 six to eight months, who aren't educated with recycling
8 guidelines by the State. They kind of travel from
9 different communities and from Mexico, back and forth.

10 And we're finding that during those six to eight
11 months, the contamination rate and the overall generation
12 of solid waste in the community is our challenge; it
13 doubles.

14 We are -- we do have some programs in place now,
15 that we're working on, such as outreach. Everything is
16 done in bilingual. All our education materials sent out,
17 school recycling programs, educate the kids so they can
18 bring it home. Educate the families and the people who
19 stay at their house during the agricultural seasons.

20 We also have a MRF in process, in the building
21 process, right now in the planning stages, to combat some
22 of the contamination. A lot of the MRFs are -- don't
23 accept the commingled material coming out. It's
24 50 percent contaminated. So some of these issues are, you
25 know, have hampered us in getting to the 50 percent.

1 However, I think the 2004 generation study is a
2 good snapshot of where we're at in 2004 and some of the
3 problems that we face and how to get there to 50 percent
4 in the future.

5 COMMITTEE MEMBER PEACE: It does it sound like you
6 have some hurdles, some issues you do have to deal with.

7 CHAIRPERSON PETERSEN: Right.

8 Part of the influx of commercial operation
9 businesses is in the adjoining town, adjoining
10 jurisdiction; correct? This is mostly residential,
11 retail? Some retail?

12 MS. RODRIGUEZ: Small retail.

13 MR. KALPAKOFF: Very small.

14 CHAIRPERSON PETERSEN: I understand.

15 And the transiency of people in and out of town.
16 Half the population. That's huge. So you got a unique
17 situation, and I think that your idea of going in and
18 building a MRF to service that area is really going to
19 help you guys.

20 So anyway...

21 MR. KALPAKOFF: Thank you.

22 CHAIRPERSON PETERSEN: Any other questions?

23 COMMITTEE MEMBER PEACE: There's no other
24 questions, but the biomass conversion, and right now,
25 Board's regulations that you can get up to 10 percent

1 diversion credit, biomass diversion credit, for burning
2 biomass. But right now, there aren't any other -- we
3 don't get diversion credit for something that would go
4 through a conversion technology, like a gasification or
5 something like that. You only get diversion credit for
6 burning.

7 CHAIRPERSON PETERSEN: For burning, yeah.

8 COMMITTEE MEMBER PEACE: It's really interesting.

9 CHAIRPERSON PETERSEN: Well, things are moving
10 along. Things are going to grow, and we're going to
11 change -- the technology is going to happen.

12 COMMITTEE MEMBER PEACE: So I would like --

13 COMMITTEE MEMBER WIGGINS: At what point will they
14 get credit for the 32 percent for their biomass diversion.

15 MS. GRAHAM: That is their actual diversion rate.
16 It's just not included in their generation number.

17 COMMITTEE MEMBER WIGGINS: I didn't understand
18 what you said. Just say it to me. Don't worry about the
19 others.

20 MS. GRAHAM: They have -- they do not have the
21 biomass tonnage in the generation number, because it's
22 calculated every year, and if it's put in the generation
23 total, then it would be double-counted. So we calculate
24 the generation total first, and then we add the biomass or
25 transportation afterwards.

1 COMMITTEE MEMBER WIGGINS: So that will come
2 later?

3 MS. GRAHAM: Their diversion rate, just based on
4 the generation is 24 percent, and then we calculate the
5 biomass separately. For example, if they were going
6 through the biennial review, then that's 32 percent. They
7 are just done separate.

8 So their diversion rate for 2004 is 32 percent.

9 COMMITTEE MEMBER WIGGINS: Oh.

10 MS. GRAHAM: Including biomass.

11 COMMITTEE MEMBER WIGGINS: It is 32 percent.

12 CHAIRPERSON PETERSEN: Including the biomass,
13 yeah.

14 MS. GRAHAM: But biomass can change each year,
15 because that is the number just for their generation
16 number: their disposal plus their diversion tonnage. And
17 then biomass is calculated every year. So next year, if
18 they are going to use the adjustment method, they could.
19 And they would -- it would be based on their generation
20 number, and then they would include in the calculation the
21 biomass for 2005, and the following year, biomass for
22 2006. But if we include it in the generation number, it
23 would be double-counted.

24 COMMITTEE MEMBER WIGGINS: I don't quite get it,
25 but thank you.

1 BOARD MEMBER DANZINGER: I agree. It's just a tad
2 confusing in the item, because I couldn't read it that way
3 either.

4 So you're saying that they do technically -- they
5 are at 32 percent, but we can only report them as
6 24 percent now, because the biomass is going to be
7 credited to them at some point --

8 CHAIRPERSON PETERSEN: No.

9 BOARD MEMBER DANZINGER: Or it -- it's credited to
10 them now.

11 ACTING CHIEF COUNSEL BLOCK: Let me go ahead --

12 CHAIRPERSON PETERSEN: Elliot, help.

13 ACTING CHIEF COUNSEL BLOCK: -- and give it a shot
14 here.

15 The reason that it is confusing in the item is
16 because it's confusing in the statute. It's one of the
17 difficulties that actually took us about a year or two to
18 figure out how to do this, when it first came up. Because
19 the whole biomass diversion credit got added to the law in
20 '95, after all the original base years were done.

21 The short answer is, there's two different issues.

22 The base year -- doing a new base year is a
23 separate entity from the biennial review. So you have
24 numbers, here, in a new base year, because we're trying to
25 set up a new base year. But this item itself is not the

1 actual official determination of how the jurisdiction did
2 for 2004.

3 We're telling you what that number will be,
4 because we already know. We can do it at the same time.
5 But that 32 percent officially gets done -- in other
6 words, when we do biennial review items, which we don't
7 have a report right now, so that's why it's a little bit
8 of a separation.

9 But we can tell you right now, the number will be
10 32 when we get there. We're just showing it separately
11 now, because this item is just about the actual base year,
12 which was done separately from there.

13 Absolutely agree; it's completely non-intuitive,
14 but that's kind of what the --

15 BOARD MEMBER DANZINGER: That was clear. No, that
16 was actually very clear. That's very understandable.
17 This is just about the base year.

18 CHAIRPERSON PETERSEN: Thank you, both.

19 Do we have any other questions?

20 May I hear a motion?

21 COMMITTEE MEMBER PEACE: I would like to move
22 Resolution No. 2006-133.

23 COMMITTEE MEMBER WIGGINS: Second.

24 CHAIRPERSON PETERSEN: Deb?

25 EXECUTIVE ASSISTANT BALLUCH: Peace?

1 COMMITTEE MEMBER PEACE: Aye.

2 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

3 COMMITTEE MEMBER WIGGINS: Aye.

4 EXECUTIVE ASSISTANT BALLUCH: Petersen?

5 CHAIRPERSON PETERSEN: Aye.

6 Move that onto consent, please.

7 Okay, Phil. Item E.

8 ACTING DEPUTY DIRECTOR MORALEZ: Consideration of
9 a Request to Change the Base Year to 2004 for the
10 Previously Approved Source Reduction and Recycling Element
11 for the City of Huron, Fresno County.

12 Marshalle?

13 MS. GRAHAM: The City of Huron has requested to
14 change its base year to 2004.

15 The City originally submitted its base year change
16 request with the diversion rate of 57 percent.

17 As a result of staff's verification findings,
18 staff is recommending changes to the base year data that
19 will adjust the accepted base year diversion tonnage and
20 increase the diversion rate to 58 percent.

21 Board staff has determined the information for the
22 City's new base year is adequately documented and is
23 therefore recommending Option 2 of the agenda item:
24 Approve the City's base year change with staff and/or
25 Board suggested modifications.

1 Again, present to answer any questions and
2 representing the City of Huron is Joseph Kalpakoff and
3 Ivette Rodriguez.

4 And that concludes my presentation.

5 CHAIRPERSON PETERSEN: Okay. Questions?

6 All right.

7 Do I hear a motion?

8 COMMITTEE MEMBER PEACE: I would like to move
9 Resolution No. 2006-134.

10 COMMITTEE MEMBER WIGGINS: Second.

11 CHAIRPERSON PETERSEN: Deb, call the roll.

12 EXECUTIVE ASSISTANT BALLUCH: Peace?

13 COMMITTEE MEMBER PEACE: Aye.

14 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

15 COMMITTEE MEMBER WIGGINS: Aye.

16 EXECUTIVE ASSISTANT BALLUCH: Petersen?

17 CHAIRPERSON PETERSEN: Aye.

18 And we'll put that on consent.

19 I want to thank the team members from the cities,
20 the jurisdictions, for coming. I appreciate it. It's not
21 an easy job, guys.

22 Okay. Phil.

23 ACTING DEPUTY DIRECTOR MORALES: Consideration of
24 the Amended Nondisposal Facility Element for the City of
25 La Quinta, Riverside County. And Tabetha Wilmon will make

1 that presentation.

2 MS. WILMON: Good morning, Committee Members.

3 The City of La Quinta has amended its nondisposal
4 facility element --

5 CHAIRPERSON PETERSEN: Excuse me.

6 Pat, can you hear okay right now?

7 COMMITTEE MEMBER WIGGINS: Um-hmm.

8 CHAIRPERSON PETERSEN: Okay. Great.

9 Sorry.

10 MS. WILMON: That's okay.

11 Has amended its nondisposal facility element by
12 identifying and describing six existing nondisposal
13 facilities it is using to help meet its diversion goal.

14 These facilities are Southern California
15 Recycling, Z Best Grinding, California Biomass
16 Incorporated Composting Facility, Coachella Valley
17 Transfer Station, Edom Hill Transfer Station Material and
18 Recovery Facility, and Coachella Valley Composting.

19 All of these facilities are also identified in
20 their representative host jurisdiction's NDFE. Any
21 corresponding permit item relating to these facilities
22 would therefore not impact this particular city's NDFE.

23 The City has submitted all required documentation
24 for the amendment, and staff therefore recommends its
25 approval.

1 A representative from the City -- actually, she is
2 here. Wonderful. Susan Collins is present to answer any
3 questions you may have.

4 This concludes my presentation.

5 CHAIRPERSON PETERSEN: Questions?

6 Do I hear a motion?

7 COMMITTEE MEMBER PEACE: I would like to move
8 Resolution No. 2006-129.

9 CHAIRPERSON PETERSEN: Second?

10 COMMITTEE MEMBER WIGGINS: Oh, second.

11 CHAIRPERSON PETERSEN: And Deb, call the roll.

12 EXECUTIVE ASSISTANT BALLUCH: Peace?

13 COMMITTEE MEMBER PEACE: Aye.

14 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

15 COMMITTEE MEMBER WIGGINS: Aye.

16 EXECUTIVE ASSISTANT BALLUCH: Petersen?

17 CHAIRPERSON PETERSEN: Aye.

18 And that moves to consent as well.

19 Phil, you're on a roll here.

20 ACTING DEPUTY DIRECTOR MORALES: Consideration of
21 the Amended Nondisposal Facility Element for the City of
22 San Diego, San Diego County.

23 Tabetha Wilmon.

24 MS. WILMON: The City of San Diego has amended its
25 NDFE, or nondisposal facility element, by identifying and

1 describing two newly proposed nondisposal facilities:

2 The City's construction and demolition debris
3 material recovery facility, or C&D MRF; and the City's
4 mixed waste recovery transfer station, or the MRF transfer
5 station.

6 In addition, the City removed four facilities from
7 its NDFE that are no longer operational.

8 The City submitted all of the required procedural
9 documentation for the amendment and has included all of
10 the required descriptive information for the C&D material
11 recovery facility.

12 The permit for that particular facility should be
13 coming forward to the Board for concurrent -- for Board
14 approval sometime within the next 12 months.

15 The descriptive information included for the MRF
16 transfer station, however, was incomplete. Although the
17 permit for that facility will be coming to the Board
18 further, in the future, the city included the facility in
19 this amendment, which is its sixth amendment to keep the
20 public aware of its long range plans. Nevertheless,
21 because the descriptive information for that facility was
22 incomplete, Board staff are recommending that the Board
23 conditionally approve the City's amended NDFE and allow
24 the City to submit the additional information when the
25 City has taken all of the appropriate steps to add that

1 information into the NDFE. So they will have to re-amend
2 it, and then they'll be coming back.

3 CHAIRPERSON PETERSEN: That's great.

4 MS. WILMON: And that concludes my presentation.

5 CHAIRPERSON PETERSEN: Any questions from the --
6 from San Diego?

7 Cheryl?

8 COMMITTEE MEMBER PEACE: I would like to move
9 Resolution No. 2006-130.

10 COMMITTEE MEMBER WIGGINS: Second.

11 EXECUTIVE ASSISTANT BALLUCH: Peace?

12 COMMITTEE MEMBER PEACE: Aye.

13 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

14 COMMITTEE MEMBER WIGGINS: Aye.

15 EXECUTIVE ASSISTANT BALLUCH: Petersen?

16 CHAIRPERSON PETERSEN: Aye.

17 Move that onto consent.

18 Phil?

19 ACTING DEPUTY DIRECTOR MORALES: Consideration of
20 the Five-Year Review Report of the Countywide Integrated
21 Waste Management Plan for the County of Contra Costa.

22 MS. WILMON: The County of Contra Costa completed
23 the second five-year review of its countywide integrated
24 waste management plan and determined that a revision to
25 the plan is not necessary at this time.

1 Board staff has evaluated the County's review
2 report and determined the required elements have been
3 addressed.

4 Therefore, it is staff's recommendation that the
5 Board approve the Contra Costa County's assessment that no
6 revision is necessary.

7 And Ms. Deirdre Dingman is here from the County
8 and is available to answer any questions you may have.

9 That concludes my presentation.

10 CHAIRPERSON PETERSEN: Questions?

11 How about a motion?

12 COMMITTEE MEMBER PEACE: Move Resolution No.
13 2006-131.

14 COMMITTEE MEMBER WIGGINS: Second.

15 CHAIRPERSON PETERSEN: Deb?

16 EXECUTIVE ASSISTANT BALLUCH: Peace?

17 COMMITTEE MEMBER PEACE: Aye.

18 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

19 COMMITTEE MEMBER WIGGINS: Aye.

20 EXECUTIVE ASSISTANT BALLUCH: Petersen?

21 CHAIRPERSON PETERSEN: Aye.

22 Move that to consent.

23 Okay. This is it, Phil.

24 ACTING DEPUTY DIRECTOR MORALES: And last item,
25 Consideration of Staff Recommendation Regarding the

1 Completion of Compliance Order IWMA BR02-02 for
2 Unincorporated Fresno County.

3 Tabetha Wilmon.

4 MS. WILMON: In October 2002, the County of Fresno
5 was issued a compliance order, Number BR02-02, to
6 implement additional and/or expand existing source
7 reduction and recycling programs.

8 The compliance order required the County to work
9 with the Board's office of Local Assistance staff to
10 identify the gaps in the existing program areas.

11 On March 31st, 2003, County and Board staff
12 conducted a program GAP, or what we call a needs
13 assessment, and subsequently developed a local assistance
14 plan, which is a plan that outlines specific program
15 implementation tasks that the County needed to complete,
16 to bring it into compliance.

17 During the past four years, the County has worked
18 diligently to successfully implement all of the programs
19 in its local assistance plan. Additionally, the County
20 has taken steps beyond the scope of the plan to ensure
21 full implementation of its restructured recyclables and
22 green waste collection program.

23 Board staff is therefore recommending the Board
24 end the County's compliance order.

25 Ms. Mary Miller and Mr. Richard Gilbert from the

1 County are here to help answer any questions.

2 That concludes my presentation.

3 CHAIRPERSON PETERSEN: What is the diversion rate
4 in the County?

5 MS. WILMON: The diversion rate for 2004, for the
6 County, is 41 percent. In 2003 -- and normally when
7 jurisdictions are on compliance, we don't publish their
8 diversion rates because they are under the compliance
9 order.

10 CHAIRPERSON PETERSEN: Right.

11 MS. WILMON: For '03, they were at 14. Now they
12 were up to 41 percent, in '04. And I anticipate that with
13 the program improvements that they've made in the past
14 year or so, that they are really going to -- it's going to
15 boost their diversion rate.

16 CHAIRPERSON PETERSEN: So they are going to pop
17 over to 50?

18 MS. WILMON: I really think so.

19 CHAIRPERSON PETERSEN: Okay. Good.

20 Any questions?

21 COMMITTEE MEMBER WIGGINS: I have a question.

22 This Board meeting is considered the public
23 hearing. Is there -- was there any notice given in the
24 unincorporated area of Fresno to -- that this was
25 happening.

1 (Phone ringing.)

2 MS. WILMON: I think just the notice for the Board
3 meeting itself. Elliot -- I'm not sure. The County was
4 notified, and they are here today, that this was
5 occurring. And the representatives are here today too.

6 COMMITTEE MEMBER WIGGINS: Okay.

7 CHAIRPERSON PETERSEN: Sorry.

8 I told everybody else to turn their phones off.

9 All right.

10 Any other questions?

11 Do I have a motion?

12 COMMITTEE MEMBER PEACE: I will make a motion.

13 Thank you for doing such a good job in the --

14 CHAIRPERSON PETERSEN: Really.

15 COMMITTEE MEMBER PEACE: -- compliance order,
16 doing everything ahead of schedule and being so
17 cooperative. And I hope that you get to your 50 percent;
18 sounds like you are going to.

19 So I would like to move Resolution Number
20 2006-136.

21 COMMITTEE MEMBER WIGGINS: Second.

22 EXECUTIVE ASSISTANT BALLUCH: Peace?

23 COMMITTEE MEMBER PEACE: Aye.

24 EXECUTIVE ASSISTANT BALLUCH: Wiggins?

25 COMMITTEE MEMBER WIGGINS: Aye.

1 EXECUTIVE ASSISTANT BALLUCH: Petersen?

2 CHAIRPERSON PETERSEN: Aye.

3 And this also goes on to consent.

4 Thanks, Phil. Good job.

5 ACTING DEPUTY DIRECTOR MORALEZ: I have to say,

6 this was a lot easier today than it was 25 years ago.

7 CHAIRPERSON PETERSEN: We're just older and we

8 don't care; right?

9 Thanks, Phil.

10 Okay. Deputy Director's Report for Waste

11 Prevention and Market Development.

12 John Smith.

13 ACTING DEPUTY DIRECTOR SMITH: You know, we're in

14 the seventh inning stretch. We'll be done quickly,

15 hopefully.

16 Good morning, Chair Petersen, Committee Members

17 Peace and Wiggins, and Jeff Danzinger. Good morning.

18 Just have two items, just the Deputy Director's

19 Report and the Item K.

20 Turning to the Deputy Director Report --

21 CHAIRPERSON PETERSEN: Why don't you sit over

22 there John, please.

23 COMMITTEE MEMBER WIGGINS: The mikes are harder to

24 hear than your voice. So that's fine.

25 ACTING DEPUTY DIRECTOR SMITH: Okay.

1 For the record, I'm John Smith. I'm the acting
2 deputy director for Waste Prevention and Market
3 Development.

4 Turning to the Deputy Director Report, I have one
5 item to talk about this morning. And this is an update on
6 the plastic collaborative process. The plastics recycling
7 technology staff continued to work with the stakeholders
8 to develop implementation plans for increasing the
9 collection of residential, commercial, institutional, and
10 agricultural forms of plastic.

11 Staff hopes to complete the development of the
12 plans by the end of September and present the final plans
13 to the Committee and/or by its November meeting.

14 Turning to -- any questions on that?

15 Turning to the last item for today, which is
16 Committee Item K and Board item No. 14, it's the annual
17 Update on the Progress Towards Achieving Goals of the
18 Carpet Stewardship Memorandum of Understanding.

19 This will be, I think, the third update presented
20 to the Board.

21 Our in-house expert, recycling expert -- carpet
22 recycling expert, John Blue, is here to give you this
23 update.

24 CHAIRPERSON PETERSEN: John could you -- you got a
25 bunch of --

1 MR. BLUE: I have a PowerPoint. If there was a
2 remote, I could do that.

3 Can you hear me all right?

4 COMMITTEE MEMBER WIGGINS: Yeah.

5 MR. BLUE: Okay. I will do my best to speak
6 clearly. I do mumble.

7 (Thereupon an overhead presentation was
8 presented as follows.)

9 MR. BLUE: Good morning.

10 CHAIRPERSON PETERSEN: Good morning.

11 MR. BLUE: I'm John Blue. I'm with the Board's
12 Green Building Program. We talked about the Carpet
13 Stewardship's Memorandum of Understanding.

14 --o0o--

15 MR. BLUE: First of all, for some of you, this is
16 a new item. Some of you have seen me flog this here,
17 before.

18 Just briefly, going back, this all started back in
19 2000 with a group of states looking at carpet. Originally
20 called the Midwestern Work Group on Carpet Recycling. At
21 that point, the Secretary of Environment for the City
22 (sic) of Minnesota invited California to join in on the
23 negotiations.

24 In January 2002, prior Environmental Secretary
25 Winston Hickox signed the agreement on behalf of

1 California and the Waste Management Board was designated
2 as sort of a -- a lead agency on this effort.

3 --o0o--

4 MR. BLUE: Participating in the negotiation, we
5 had several states. I couldn't -- I could come up with a
6 list if you like. Probably got about 11 or 12 states; the
7 USEPA; carpet industry, virtually 99 percent of the carpet
8 industry is represented in this agreement; a handful of
9 non-governmental environmental organizations, most
10 prominently the Northeastern Recycling Coalition, or NERC.

11 --o0o--

12 MR. BLUE: The general goals of this MOU was to
13 develop -- first form a third-party organization to
14 oversee sort of the project, develop an infrastructure for
15 reclamation, and eventually divert 40 percent of carpet
16 waste by 2012, a ten-year goal.

17 --o0o--

18 MR. BLUE: And today I would be happy to report,
19 the goal was 10 percent for 2005. We've reached 4.6
20 percent, and while that isn't a particularly stellar
21 result or something I'm really happy about, it is, in
22 fact, a hundred percent increase over the prior year.

23 --o0o--

24 MR. BLUE: So things are moving. Additionally,
25 this is a nationwide figure and California, thanks to Ron

1 Greitzer, who is in attendance here, and his business, and
2 perhaps Chamlian -- I'm not sure if they are still
3 operating now -- in Fresno. We have most -- most carpet
4 recycling is taking place in California.

5 I believe Ron Greitzer remains the largest carpet
6 recycler in the world, so we have somebody to thank for
7 that.

8 Also, this survey was a voluntary survey, and we
9 only got a 10 percent response rate. However, the survey
10 takers feel this is actually a very good chunk of the
11 actual recyclers to respond.

12 Based on these numbers, I estimate California
13 diversion rate of carpet to be somewhere between 6 and
14 20 percent. That's a wide range and I will explain why.

15 --o0o--

16 MR. BLUE: And first off, when the agreement was
17 negotiated, it was based on industry numbers, or industry
18 disposal estimate, that showed, based on population,
19 California was -- we were expecting disposal of carpet in
20 California was somewhere in the order of 300 to 350,000
21 tons per year.

22 In 2003, the Board actually looked at carpet
23 disposal specifically for the first time and found
24 actually somewhere around three times what we were
25 expecting: around 840,000 tons per year. So that's where

1 I get the range. If we use industry numbers, we're about
2 20 percent diversion; if we use our numbers, which I feel
3 are actually better, because they are actually based on
4 looking up, we get about 6 percent.

5 So what this tells me, our waste told me that we
6 have a bigger concern in the state than we originally
7 thought, when we signed the agreement.

8 --o0o--

9 MR. BLUE: Why is this disparity between what we
10 found and what the industry was predicting? Any number of
11 things. It could be market trends. The carpet industry
12 will admit that people are moving away from carpet and
13 toward hard surfaces, hardwood floors is all the rage,
14 laminate flooring, bamboo, and other products.

15 It's possible that they are seeing greater product
16 turnover. This could be an anomaly. We don't know. We
17 have single data points, so I really don't have a line
18 that I can point to. I have a -- one single survey.

19 It could be that the carpet industry needs a
20 better conversion factor. They don't, in fact, measure
21 carpet output by pound; they measure by square yard, and
22 have a conversion factor of about four and a half pounds
23 per square foot. And that's where they based all their
24 tonnage figures from. So it may not be an accurate
25 number.

1 Alternatively, or additionally, it is quite
2 probably that used carpet is heavier than new carpet.

3 In my house, the used carpet could be 50 percent
4 cat hair, but it comes out. I don't know, Mr. Greitzer
5 can probably give us some insight on how much dirt is in
6 used carpet.

7 --o0o--

8 MR. BLUE: I can tell you, at this point
9 industry -- efforts that we have seen the industry put
10 forth this year, probably the most exciting thing was Shaw
11 planning to reopen the evergreen nylon recycling facility.
12 This reopening has been rumored for many years, and I
13 can't tell you how many times I was told "two weeks," that
14 it's going to happen in two weeks.

15 But anyhow, it actually seems to be under way.
16 They are actually purchasing carpet for recycling. They
17 are hoping to open up at the end of the year.

18 We are also seeing improvements in manufacturing
19 efficiency, probably helping disposal. But that affects
20 post-industrial disposal, which is not a particularly
21 large concern in the state of California.

22 Also, changes in marketing where they are doing
23 computer-generated images of what a carpet would look like
24 given a dye and yarn used, so that a customer can look at
25 a really good photograph -- a computer-generated image of

1 a carpet pattern without having them make thousands of
2 pounds of samples. But again, this impacts
3 post-industrial scrap.

4 --o0o--

5 MR. BLUE: Procurement in -- we identified carpet
6 as a priority under the Green Procurement Action Plan.
7 Staff has worked with Department of General Services,
8 other state agencies, USEPA, and industry, working on a
9 nationwide carpet specification, EPP specification, and
10 the most major development of the year -- actually it's
11 this year, was the establishment of the California Gold
12 EPP Carpet Standard, which requires a 10 percent
13 post-consumer content --

14 --o0o--

15 MR. BLUE: -- making it approximately SABRC
16 compliant with minimal chemical emissions, so that it's
17 safe for consumers and workers.

18 And then a product reclamation program that
19 industry would be responsible for, which is pegged to the
20 goals of carpet MOU. It's about 7 percent, I think, right
21 now -- or 10 percent.

22 --o0o--

23 MR. BLUE: Anyhow, the DGS issued a management
24 memo, May of this year. So it is, in fact, in place, and
25 we are waiting for the magic number of carpet

1 manufacturers to certify under this. And I believe is
2 free for any given carpet type at which point we will
3 require that -- for meeting that requirement for purchase.

4 --o0o--

5 MR. BLUE: Looking ahead, the factors that are
6 affecting achievement of the MOU goals, I would like to
7 tell you this is all new. Unfortunately, I dusted off
8 this PowerPoint presentation from last year and was able
9 to use most of these slides pretty much unchanged.

10 --o0o--

11 MR. BLUE: We still have -- face a lack of
12 post-consumer nylon in the marketplace, which could be
13 used for carpet fiber. It's -- there's nylon out there,
14 usable for other products, but not the quality for
15 carpet -- usable for carpet fiber.

16 We still see lack of industry investment in
17 infrastructure needed to address the problem. While Shaw
18 spent tens of millions of dollars, approximately -- I
19 don't have a firm number, they won't tell me -- but they
20 spent a lot of money, opening up the Evergreen Facility.

21 If you look at a multi-billion dollar industry,
22 it's really a small, small investment. And consumers are
23 still not demanding sustainability. Other than the state
24 of California, we're not seeing the clamoring of the
25 public for recycled content carpet. This is sort of a

1 typical problem -- a typical problem we have in market
2 development.

3 --o0o--

4 MR. BLUE: Things that are helping.

5 That has been significant investment by in -- in
6 recycling by entrepreneurs really unrelated to the carpet
7 industry. People making products, boards, shingles, sound
8 wall, erosion control, supplies, materials, carpet pad --
9 pardon me -- nylon fiber carpet pad. These people are
10 putting money into recycling carpet.

11 As I mentioned, the Shaw facility -- reopening the
12 Evergreen Facility and increasing demand for all
13 plastics -- the plastics in Asia is driving the market.
14 And I don't know if you've noticed, but the gas prices
15 continue to climb, reflecting the rising oil prices. This
16 puts out -- increases demand for recycled plastic.

17 --o0o--

18 MR. BLUE: And a growing number of plastics --
19 product manufacturers are seeing carpet as just another
20 supply, good supply of plastics.

21 Additionally, something that's not intentional,
22 but a positive -- possibly positive impact on carpet
23 recycling for pad manufacturing was the flame retardant
24 ban that took place -- or came in force this June, which
25 prohibits the use of certain polypropylene fire

1 retardants, in any product. And foam pad, the little --
2 the re-bond foam pad, looks like it's made of chunks of
3 foam -- as it was formulated, they were unable to meet the
4 fire retardant ban, so they are going to have to
5 reformulate. It's going to change some of the dynamics in
6 that market place, which may benefit people who are making
7 fiber pad out of used carpet.

8 CHAIRPERSON PETERSEN: Excuse me, John.

9 MR. BLUE: Sure.

10 CHAIRPERSON PETERSEN: The binders they use, when
11 are the VOCs coming off those -- do you know --

12 MR. BLUE: Off the which?

13 CHAIRPERSON PETERSEN: Off the binders, off the
14 pads that they are using --

15 MR. BLUE: Off the fiber pad? The carpet?

16 CHAIRPERSON PETERSEN: Yeah, yeah.

17 MR. BLUE: Well, Ron can answer this, but I
18 believe he had his product tested under the Green Label
19 Plus Program, which is our -- the one that we like, and it
20 passed.

21 CHAIRPERSON PETERSEN: Okay.

22 MR. BLUE: So it was showing good air quality.

23 CHAIRPERSON PETERSEN: Great.

24 --o0o--

25 MR. BLUE: What can we expect for the future?

1 This is my future picture. That's with global warming,
2 carpet is in the domes.

3 We will see continued growth in recycling and
4 recovery, but I'm still seeing it just at this point
5 market-driven. We're not seeing it sort of proactive or
6 policy-driven. And where we're going to see an increase
7 in demand for post-consumer nylon in carpet is going to be
8 through procurement efforts, like the State of
9 California's Carpet Procurement Specification.

10 Do you have a question?

11 CHAIRPERSON PETERSEN: I'm listening.

12 MR. BLUE: You looked --

13 CHAIRPERSON PETERSEN: I have some questions,
14 though.

15 --o0o--

16 MR. BLUE: And here, my grand speech. Oil prices
17 and worldwide economic growth will continue to drive the
18 process unless there is significant increase in capital
19 investment by the carpet and fiber industry.

20 --o0o--

21 MR. BLUE: That's my presentation. Are there any
22 questions?

23 CHAIRPERSON PETERSEN: The last one said it all.

24 MR. BLUE: Unfortunately.

25 CHAIRPERSON PETERSEN: Yeah. Any questions?

1 COMMITTEE MEMBER PEACE: Are you saying you need
2 more capital investment by the carpet and fiber industry?
3 Is there anything, you see, that the Board can do? Is
4 there a policy to move this along, since it doesn't sound
5 like the MOU is really doing too much.

6 MR. BLUE: A couple of years ago, at a prior CARE
7 conference, I was in Georgia. We discussed the industry
8 taking on levying a fee on themselves, where they already
9 collect money for -- to run the Carpet and Rug Institute.
10 Why not levy an additional fee to fund carpet recycling?

11 And the group that was present kicked it around,
12 and after about a year of discussion and negotiation, they
13 actually took it to a formal vote of the carpet and Rug
14 Institute Board of Directors about nine months ago, I
15 believe, and they voted it down.

16 And my suggestion at the time was, it would be
17 much better for them to do it than the government to do
18 it, because it would be more efficient and they could
19 change things more rapidly than we could. If it gets in a
20 statute, it might take two years to make a change, or
21 longer.

22 COMMITTEE MEMBER PEACE: Two years if you're
23 lucky.

24 MR. BLUE: If you're lucky.

25 They were talking numbers of a penny to 5 cents a

1 yard, which would generate anywhere from, I think it was,
2 \$19 million a year if you levy the penny a yard or
3 \$95 million a year if you levy a nickel per yard, which
4 would impact the average consumer somewhere in the order
5 of a dollar to \$10 for your house.

6 So if you are buying -- for the average large
7 American house, it would come out to maybe \$10 on the high
8 end.

9 CHAIRPERSON PETERSEN: So what you're telling us
10 is, we need to -- we need to giddyap here, because we
11 haven't got one. And maybe that's something that the
12 Board should be taking a look at.

13 MR. BLUE: Yeah.

14 For California -- just roughly estimating based --
15 again, based on population -- I don't have sales figures
16 for California -- but if any sort of fee, a penny a yard,
17 comes out to about \$2 million. So we'll start with that
18 as sort of the building block. How much do you want to
19 go? Talk to the carpet industry, carpet recyclers about
20 how much infrastructure it would take. You could probably
21 calculate trade out with a number and come up with what
22 you wanted to see.

23 CHAIRPERSON PETERSEN: Would you mind -- we would
24 like to ask you a couple questions, if you don't mind.
25 Would you mind just stepping up?

1 COMMITTEE MEMBER WIGGINS: Do you want me to ask
2 him questions?

3 CHAIRPERSON PETERSEN: We can all ask him
4 questions.

5 Oh, go ahead.

6 I want to ask the carpet recycling guy.

7 Did you have a question, Pat?

8 COMMITTEE MEMBER WIGGINS: I was just curious
9 about the natural fibers don't degrade any faster than
10 synthetic fibers, so why don't natural fibers degrade?

11 MR. BLUE: In a modern landfill, nothing degrades
12 is the --

13 COMMITTEE MEMBER WIGGINS: What?

14 MR. BLUE: Nothing degrades in a modern landfill
15 is the problem.

16 COMMITTEE MEMBER WIGGINS: Oh.

17 MR. BLUE: So it's not -- if you laid the natural
18 fiber carpet out on the ground somewhere, it would
19 degrade. But if you put it under ground, in a landfill,
20 it does not.

21 COMMITTEE MEMBER WIGGINS: And the other issue is
22 Shaw Industries, they get a lot of credit to get the
23 Governor's Award and all of that, but they are still not
24 doing 10 percent recycling, 10 percent post consumer.

25 MR. BLUE: They are resisting that, and I'm not

1 sure why. You know, it's difficult for me to understand.

2 I don't want to pick on Shaw too much, but they
3 are the largest company. They are probably the best
4 capitalized of the carpet manufacturers and could probably
5 do the most. They fight us the most.

6 COMMITTEE MEMBER WIGGINS: They are the biggest?

7 MR. BLUE: Yes, by far.

8 COMMITTEE MEMBER WIGGINS: So maybe they -- it
9 makes sense for them to resist as far as the leader --
10 being the leader. I don't know.

11 MR. BLUE: Yeah, it's hard to say.

12 They also own the nylon recycling facility, so
13 they could -- it reminds me of the days when we were
14 establishing compost facilities and the big guys were
15 saying we should -- all these should comply fully to, you
16 know, solid waste permits, because they knew they would be
17 the only ones able to comply. And it reminds me of that,
18 but they are not taking that tack.

19 It seems to me, if I were them, I would be taking
20 that tack and saying everybody needs to be doing
21 10 percent post-consumer, and then they could refuse to
22 sell it to you.

23 CHAIRPERSON PETERSEN: Ron.

24 First of all, I would like to -- on behalf of the
25 Board congratulate you on your success in what you've

1 done, down in L.A.. It's phenomenal and what you're doing
2 to recycle carpet in California is phenomenal. You're the
3 guy.

4 Now, could you help us all here, a little bit,
5 with maybe some guidance and some suggestions.

6 I don't want to put you on the spot, but there is
7 no giddyap here, and we need -- we need to get this going.
8 You're the recycler. That's why a lot of people listen to
9 us. So could you tell us a little story, if you don't
10 mind.

11 MR. GREITZER: My story?

12 CHAIRPERSON PETERSEN: Well, not your story. Your
13 story is a huge story.

14 Where is the industry going and how are we going
15 to get there and what do you think's going to happen?

16 And there are great players out there like
17 Interface. They are doing good stuff, but where are we
18 going?

19 MR. BLUE: Before we put Ron on the spot too much,
20 you have to realize he is in business with these guys.

21 CHAIRPERSON PETERSEN: I understand. I
22 understand.

23 I mean, you're the guy that does all the
24 recycling.

25 What do you see? What's the future?

1 MR. GREITZER: Well, where I'm at today is based
2 on developing the markets for the finished products.

3 I built a mouse trap, and it's always evolving, so
4 we figured out how to recycle the product and make it into
5 something, but I had no markets. So my downfall, when I
6 stumbled bad and I fumbled the ball and we almost when BK,
7 is when my markets disappeared. I didn't have enough new
8 business going on, enough new customers.

9 Slowly, over the last few years, we developed
10 markets throughout the country and the world for our
11 finished products. Not just in carpet cushion, but in the
12 plastics remold industry.

13 Three months ago we shipped product into Israel,
14 Turkey, Italy, Germany, South Korea, Japan, three ports in
15 China, and Vietnam. Not one customer represented more
16 than 10 percent of your market place. Things are
17 changing, though, and things are getting better.

18 A couple years ago, I decided to become smaller,
19 make the smaller footprints and break even or even make
20 money rather, than doubling my size. And when we did
21 that, we found we became a low cost provider, and we got
22 even busier.

23 Our carpet cushion sales, we're now selling our
24 product nationwide where we used to average 9,000, 10,000
25 rolls a month. Last month we did 35,000 rolls. So by

1 developing new markets means I can start bringing in more
2 waste carpet and that's where it is.

3 I don't depend on Shaw; I don't depend on Mohawk
4 or Interface or any of the carpet mills to help me out,
5 nor do I now look at government agencies to start
6 specifying our protects. We just went out and did it on
7 our own. And it's not just L.A. Fibers that's enjoying
8 this change; it will be all the other people recycling
9 waste carpet as well.

10 CHAIRPERSON PETERSEN: It's a great story.

11 COMMITTEE MEMBER PEACE: What kind of
12 infrastructure do you have to get the carpet to your
13 facility?

14 MR. GREITZER: Well, we do it ourselves.

15 We have -- I'm a hundred thousand dollar a year
16 man that goes out and looks in trash cans all day long.
17 But we've actually -- what we do is -- actually, through
18 help of the RMDZ program, we got a list of all the major
19 carpet installers and carpet retailers, and that's our
20 book. And that book is what we live by. And we had it
21 sorted by size of these companies and what Douglas would
22 do or I would do, we would target cities and go out there
23 and try to develop recycling programs.

24 I now have a hundred vans located throughout the
25 state of California, where we leave it at somebody's

1 backyard, where they fill it up, then they call one of our
2 numbers and then we'll swap it out. But we need more.
3 I'm actually looking for more carpet. It used to be the
4 other way around, where there's more carpet available for
5 us. We've now hit that -- we're near that hundred million
6 mark per year, and we are not finding people calling us up
7 anymore, looking for us to divert their waste.

8 So that's our biggest challenge today, is
9 discovering more sources of supply.

10 COMMITTEE MEMBER PEACE: Is there a possibility to
11 work at things like a transfer station? When I take stuff
12 to a transfer station, at least in San Diego, there's all
13 that carpet stuff in there.

14 MR. GREITZER: We're working with a number of
15 transfer stations right now. And that's been -- the
16 growth that we have now is not from the retail stores or
17 installers. It's from the MRFs and transfer stations
18 before it gets commingled in the general waste stream.
19 Once that happens, it becomes very difficult and very hard
20 to work with.

21 CHAIRPERSON PETERSEN: Is there anybody else in
22 the country following your model, and picking up where you
23 are?

24 MR. GREITZER: No one's doing the exact thing.
25 Maybe they are smarter than I am, and that's why.

1 CHAIRPERSON PETERSEN: You're the biggest, excuse
2 me.

3 MR. GREITZER: No one -- there's now with the
4 Evergreen Facility reopening, there's new collectors
5 emerging, so that's the collection part of it.

6 There's other people that are recycling and making
7 fiber out of it, but not doing it -- took me three to five
8 years to retool my machinery, only because I had to. I
9 was recycling textile waste, the cloth, the cuttings --

10 CHAIRPERSON PETERSEN: I've been to your facility.

11 MR. GREITZER: And when the market changed, when
12 we passed down to 98, took a couple years, but I ran out
13 of source of supply, hearing that this big monster
14 facility, without any raw materials coming in.

15 When we discovered recycled used carpet, I was
16 able to field my machines again. I had to retool, which
17 we did with loan money that we received from the State.
18 And that's made a big difference.

19 I'm years ahead of the competition. It's not easy
20 recycling used carpet. The calcium carpet in the back is,
21 you know, like blasting sand into a metal body. You can
22 see holes in the bottom of machines. We're ahead -- we've
23 retooled, we've changed all that, so we keep the factory.
24 Others haven't done that.

25 And on the carpet cushion side, there are now

1 people that are trying to -- my competitors are buying
2 fiber from us so they can make carpet cushion too.

3 CHAIRPERSON PETERSEN: We'll be in touch, because
4 I want to learn more about what's going on. We'll come
5 down to see you again.

6 MR. GREITZER: Great.

7 CHAIRPERSON PETERSEN: But good job.

8 MR. GREITZER: Thank you very much.

9 CHAIRPERSON PETERSEN: Congratulations.

10 COMMITTEE MEMBER PEACE: Ron, thank you for being
11 here, and thank you for the tours you took me on in your
12 facilities in Los Angeles, and thank you for all your good
13 work.

14 CHAIRPERSON PETERSEN: Okay. I believe -- John?

15 MR. BLUE: I have one last thing Ron forgot to
16 mention. That Ron, since we're here for the CRRA
17 conference, he was named Recycle Person of the Year by
18 CRRA.

19 CHAIRPERSON PETERSEN: Congratulations. Well
20 done.

21 (Applause.)

22 MR. BLUE: Any other questions?

23 CHAIRPERSON PETERSEN: No, I guess that's it.

24 MR. BLUE: Thank you very much.

25 CHAIRPERSON PETERSEN: Okay.

1 I think this meeting is adjourned, and I urge all
2 of you, who are going back to the CRRRA conference, talk to
3 the recyclers. You will learn a lot, believe me. And of
4 those of you driving back to Sacramento, be careful.

5 Okay.

6 Thank you.

7 This meeting is adjourned.

8 (Thereupon the California Integrated Waste
9 Management Board, Sustainability and Market
10 Development Committee meeting adjourned at
11 11:28 a.m.)

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1 CERTIFICATE OF REPORTER

2 I, KATHRYN S. KENYON, a Certified Shorthand Reporter
3 of the State of California, do hereby certify:

4 That I am a disinterested person herein; that the
5 foregoing California Integrated Waste Management Board,
6 Sustainability and Market Development Committee meeting
7 was reported in shorthand by me, Kathryn S. Kenyon, a
8 Certified Shorthand Reporter of the State of California,
9 and thereafter transcribed into typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said meeting nor in any
12 way interested in the outcome of said meeting.

13 IN WITNESS WHEREOF, I have hereunto set my hand this
14 21st day of August, 2006.

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23 KATHRYN S. KENYON, CSR

24 Certified Shorthand Reporter

25 License No. 13061